

Dared Way

BEFORE THE ARIZONA CORPORATION COMMISSION

2 DOUG LITTLE Chairman

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BOB STUMP Commissioner

Arizona Corporation Commission

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BOB BURNS Commissioner

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TOM FORESE Commissioner DOCKETED BY

ANDY TOBIN Commissioner

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Docket No. WS-01303A-16-0145

RESPONSE TO STAFF'S MOTION FOR EXTENSION OF TIME

IN THE MATTER OF THE
APPLICATION OF EPCOR WATER
ARIZONA INC. FOR A
DETERMINATION OF THE CURRENT
FAIR VALUE OF ITS UTILITY PLANT
AND PROPERTY AND FOR
INCREASES/DECREASES IN ITS
RATES AND CHARGES BASED
THEREON FOR UTILITY SERVICE BY
ITS AGUA FRIA, ANTHEM, MOHAVE,
SUN CITY, AND SUN CITY WEST
WASTEWATER DISTRICTS AND FOR
CONSOLIDATION OF
CONSOLIDATION PROPOSALS

Through this filing, EPCOR Water Arizona Inc. ("Company") responds to Staff's motion for an extension of time. The Company is sensitive to Staff's concerns about a potential conflict of interest which forms the basis for Staff's request. However, the Company wishes to clarify the facts surrounding this request. Also, for the reasons stated below, the Company believes that this request is premature.

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BASIS FOR STAFF'S REQUEST

Staff bases its request on the fact that a Staff engineer entered into "discussions with EPCOR for employment" in June 2016. To be clear, this individual responded to a general employment solicitation by the Company. Further, at the time noted by Staff (June 2016), the Company shared the concerns raised by Staff in its Motion. Accordingly, prior to proceeding further with the employment process, the Company discussed this issue with Staff and delayed the start date of the individual by three weeks to provide additional time for Staff to transition employees assigned to the Company's rate case. The Company also offered, and continues to offer, to use all reasonable efforts to accommodate the scheduling of any further, or new, field review that might be necessitated by the re-assignment of the engineering duties for the Company's rate case.

STAFF'S REQUEST IS PREMATURE

The current deadline for filing Staff and Intervenor Direct Testimony is more than two months from the present time (more than eleven weeks). Accordingly, the Company believes that Staff's requested extension is premature, as it is not yet known whether there is sufficient time to conduct the engineering review. As noted, the Company has offered to work with Staff to promptly find acceptable dates to allow Staff to conduct its engineering review of the Company's wastewater plant. And, if it is determined that *this issue* results in insufficient time for Staff to conduct its review, the appropriate time to request an extension is closer in time to the November 16, 2016 deadline.

If, however, the Administrative Law Judge is inclined to grant an extension of time, the Company respectfully requests that the schedule set forth below be adopted. This schedule would provide Staff (and all other Intervenors) with an additional 23 days for its initial testimony (more than 14 weeks from the filing of this response). As Staff's policy is not to commence settlement discussions prior to the filing of its direct testimony, this

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revised schedule would also provide further opportunity for settlement discussions to commence prior to year-end. In the proposal below, the Company has also proposed to reduce the time for its rebuttal testimony (which is further reduced by the intervening holidays). Finally, this proposal would also limit the delay in the commencement of the hearing to two weeks.

	Current Date	Staff Proposal	Company Proposal
Staff and Intervenor Direct Testimony	November 16, 2016	December 14, 2016	December 9, 2016
Staff and Intervenor Rate Design	November 23, 2016	December 21, 2017	December 16, 2016
Company Rebuttal	December 16, 2016	January 13, 2017	January 9, 2017
Staff and Intervenor Surrebuttal	January 6, 2017	January 25, 2017	January 23, 2017
Company Rejoinder	January 16, 2017	February 3, 2017	January 30, 2017
Pre-Hearing Conference	January 19, 2017	February 7, 2017	February 3, 2017
Hearing Commences	January 23, 2017 ¹	February 13, 2017	February 6, 2017

CONCLUSION

For the reasons set forth above, the Company respectfully requests that the Administrative Law Judge deny Staff's request for an extension as premature. In the alternative, the schedule proposed by the Company as set forth above should be adopted as a reasonable schedule for all parties to this proceeding. The Company further requests a procedural conference to address any continued disputes over this proposed extension.

¹ If any changes are made to the hearing date, the first day of hearing should remain for public comment purposes as noticed by the Company.

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